

**Senate File 289 - Enrolled**

Senate File 289

AN ACT

RELATING TO THE POWERS AND DUTIES OF THE BOARDS OF DIRECTORS  
OF AREA EDUCATION AGENCIES, SCHOOL DISTRICTS, AND SCHOOL  
CORPORATIONS, AND TO THE ELECTION OF A DIRECTOR AS SCHOOL  
BOARD PRESIDENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 273.2, subsection 2, Code 2021, is amended to read as follows:

2. An area education agency established under [this chapter](#) is a body politic as a school corporation for the purpose of exercising powers granted under [this chapter](#), and may sue and be sued. An area education agency may hold property and execute purchase agreements within two years of a disaster as defined in [section 29C.2, subsection 4](#), and lease-purchase agreements pursuant to [section 273.3, subsection 7](#), and if the lease-purchase agreement exceeds ten years or the purchase price of the property to be acquired pursuant to a purchase or lease-purchase agreement exceeds ~~twenty-five thousand dollars~~ the amount stated in section 26.3, subsection 1, the area education agency shall conduct a public hearing on the proposed purchase or lease-purchase agreement and receive approval from the area education agency board of directors and the state board of education or its designee before entering into the agreement.

Sec. 2. Section 273.3, subsections 7 and 12, Code 2021, are amended to read as follows:

7. Be authorized to lease, purchase, or lease-purchase, subject to the approval of the state board of education or its designee and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than ten years and with an annual cost of less than ~~twenty-five thousand dollars~~ the amount stated in section 26.3, subsection 1, does not require the approval of the state board. The state board shall not approve a lease, purchase, or lease-purchase until the state board is satisfied by investigation that public school corporations within the area do not have suitable facilities available. A purchase of property that is not a lease-purchase may be made only within two years of a disaster as defined in [section 29C.2, subsection 4](#), and subject to the requirements of [this subsection](#).

12. Prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1, [273.2](#), [this section](#), [sections 273.4 through 273.8](#), and chapter 256B within the limits of funds provided under section 256B.9 and [chapter 257](#). The board shall ~~give post~~ give post notice of a public hearing on the proposed budget on the area education agency's internet site and by publication in an official county ~~the newspaper in each county of general circulation~~ in the territory of the area education agency in which the principal place of business of a school district that is a part of the area education agency is located. The notice shall specify the date, which shall be not later than March 1 of each year, the time, and the location of the public hearing. The proposed budget as approved by the board shall then be submitted to the state board of education, on forms provided by the department, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each area education agency and shall before May 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than May 15. The state board shall give final approval only to budgets submitted by area education agencies accredited by the state board or that have been given conditional accreditation

by the state board.

Sec. 3. Section 279.1, subsection 2, Code 2021, is amended to read as follows:

2. Such organization shall be effected by the election of a president from the members of the board to serve for one year, and who shall be entitled to vote as a member. During nonelection years, the president shall be elected to serve for one year at a regular meeting held not less than one year, nor more than thirteen months, after the prior organizational meeting.

Sec. 4. Section 279.33, subsection 2, Code 2021, is amended by striking the subsection.

Sec. 5. Section 279.38, subsections 1 and 2, Code 2021, are amended to read as follows:

1. Boards of directors of school corporations may pay, out of funds available to them, reasonable annual dues to the Iowa association of school boards. Each board that pays membership dues to the Iowa association of school boards shall annually report to the local community ~~and to the department of education~~ the amount the board pays in annual dues to the Iowa association of school boards, the amount of any fees paid and revenue or dividend payments received for services the board receives from the association or from any of the association's affiliated for-profit entities, and the products or services the school district received inclusive with membership in the association.

2. The financial condition and transactions of the Iowa association of school boards shall be audited as provided in section 11.6. In addition, annually the Iowa association of school boards shall publish and submit to the department of education a listing of the school districts and the annual dues paid by each, the total revenue the association receives from each school district resulting from the payment of membership fees and the sale of products and services to the school district by the association or its affiliated for-profit entities, and shall publish an accounting of all moneys expended for expenses incurred by and salaries paid to legislative representatives and lobbyists of the association. In addition, the association shall submit to the general

assembly copies of all reports the association provides to the United States department of education relating to federal grants and grant amounts that the association or its affiliated for-profit entities administer or distribute to school districts. The Iowa association of school boards is subject to [chapters 21](#) and [22](#) relating to open meetings and public records.

Sec. 6. Section 279.41, Code 2021, is amended to read as follows:

**279.41 Schoolhouses and sites sold — funds.**

1. Moneys received from the condemnation, sale, or other disposition for public purposes of schoolhouses, school sites, or both schoolhouses and school sites, shall be deposited in the physical plant and equipment levy fund and may without a vote of the electorate be used for purposes authorized under section 298.3, as ordered by the board of directors of the school ~~district~~ corporation.

2. Notwithstanding subsection 1, the board of directors of a school corporation may take action to deposit moneys received as provided in subsection 1 in any account maintained by the school corporation after holding a public hearing on the proposed action of the board. The board shall publish notice of the time and place of the public hearing in the same manner as required in section 24.9.

Sec. 7. Section 279.48, subsection 3, Code 2021, is amended by striking the subsection.

Sec. 8. Section 279.60, subsection 2, Code 2021, is amended to read as follows:

2. The school district shall also collect information from each parent, guardian, or legal custodian of a kindergarten student enrolled in the district, ~~including but not limited to on whether the student attended preschool, factors identified by the early childhood Iowa office pursuant to [section 256I.5](#), and other demographic factors.~~ Each school district shall report the results of the community strategies employed during the prior school year pursuant to ~~section 279.68, subsection 3, paragraph "a", the assessment administered pursuant to [subsection 1](#), and the preschool information collected to~~ the department of education in the manner prescribed by the

department not later than January 1 of that school year. The early childhood Iowa office in the department of management shall have access to the raw data. The department shall review the information submitted pursuant to [this section](#) and shall submit its findings and recommendations annually in a report to the governor, the general assembly, the early childhood Iowa state board, and the early childhood Iowa area boards.

Sec. 9. Section 297.22, subsection 1, paragraphs b, c, and d, Code 2021, are amended to read as follows:

b. (1) Proceeds from the sale or disposition of real or other property shall be deposited into the fund which was used to account for the acquisition of the property. If the district is unable to determine which fund was used to account for the acquisition of the property or if the fund no longer exists in the district, the proceeds from the sale or disposition of real property shall be placed in the physical plant and equipment levy fund, and the proceeds from the sale or disposition of property other than real property shall be placed in the general fund. Proceeds from the lease of real or other property shall be placed in the general fund.

(2) Notwithstanding subparagraph (1), the board of directors of a school district may take action to deposit the proceeds from the sale or disposition of real or other property in any account maintained by the school district after holding a public hearing on the proposed action of the board. The board shall publish notice of the time and place of the public hearing in the same manner as required in section 24.9.

c. Before the board of directors may sell, lease for a period in excess of one year, or dispose of any property belonging to the school, the board shall hold a public hearing on the proposal. The board shall set forth its proposal in a resolution and shall publish notice of the time and the place of the public hearing on the resolution. The notice shall also describe the property. A locally known address for real property may be substituted for a legal description of real property contained in the resolution. ~~Notice~~ The board shall publish notice of the time and place of the public hearing ~~shall be published at least once not less than ten days but not more than twenty days prior to the date of the hearing in a~~

~~newspaper of general circulation in the district in the same manner as required in section 24.9.~~ After the public hearing, the board may make a final determination on the proposal contained in the resolution.

d. However, property having a value of not more than five twenty-five thousand dollars, other than real property, may be sold or disposed of by any procedure which is adopted by the board. Each such sale or disposal shall be published ~~by at least one insertion each week for two consecutive weeks~~ in a newspaper having general circulation in the district ~~and any other disposition shall be published by at least one insertion in a newspaper having general circulation in the district.~~

Sec. 10. REPEAL. Section 279.44, Code 2021, is repealed.

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JAKE CHAPMAN

President of the Senate

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PAT GRASSLEY

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 289, Eighty-ninth General Assembly.

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W. CHARLES SMITHSON

Secretary of the Senate

Approved \_\_\_\_\_, 2021

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KIM REYNOLDS

Governor